

Operations Plan

The Headquarters structure (Building F) will house the main offices for the operation. It is an existing 2,170sf office structure that includes 4 private offices that includes the Operations office, Security office, Transport / Records office, and Cultivation office. Building F also includes employee breakroom and restroom, kitchen and closet. The office structure also has two attached rooms only accessible from the exterior– these have no proposed use at this time

Employee Hours and Trip Generation

| Cannabis Items -Category | Outdoor Cultivation |
|--|----------------------------|
| TYPICAL DURING THE YEAR | |
| Hours of Operation | 8am – 12 noon |
| Number of Employees (full-time and seasonal) | 3 |
| Employee Shifts / day (shift hours) | M-Sunday |
| Employees / Shift | 2 / 1 shift |
| HARVEST | |
| Hours of Operation | 8am – 10am |
| Number of Employees | 4 |
| Employee shifts / day (shift hours) | M-F / 8am – 10am |
| Employees / Shift | 4 / 1 shift |
| # Harvest per year | 2 |
| Typical Months Harvest will Occur | Aug – Oct |
| Typical time (# of weeks) Harvest will take | 1 week |
| Number of Vehicles Proposed | 1 |
| Vehicle Type | F350 Truck |
| Vehicle Trips | 3 trips / Week |

Job Descriptions

Director of Production

The Director of Production will drive the long-range strategic planning process for operations by overseeing and managing all production operations, including production itself, and inventory control. The Director of Production will be responsible for the products life cycle management, maintaining quality, safety, and regulatory compliance relating to the production facilities.

The Director of Production also serves as Compliance Manager, as defined below.

Cultivation Manager

The Cultivation Manager is responsible for executing protocols and standard operating procedures for all phases of cultivation, including propagation, vegetative, flowering and harvest. Must maintain cleanliness standards and oversee daily inspections and inventory management. Must be able to maintain safe working practices and report occurrences of diversion and loss or workplace hazards immediately.

Flowering Zone Agent

The Flower Zone Agent is responsible for executing protocols and standard operating procedures for all phases of cultivation, including propagation, vegetative, flowering and harvest. Must maintain cleanliness standards and report any pest or other infestation in a timely manner. Maintain safe working practices and report occurrences of diversion and loss or workplace hazards immediately.

Employee Services

Estrella River Farms LLC has established written policies and procedures governing the qualifications, recruitment, hiring, and training of operators, employees, and subcontractors working at the location.

Payroll Services

In addition to processing the organizations regular payroll for both exempt, and non-exempt employees, Paycheck Service will ensure compliance with federal and state regulations in regard to payroll taxes by managing withholdings for federal, social security, Medicare, state & local taxes, and also provide end of year W-4 processing.

Employee Handbook

Employee handbook implementation that implements company specific policies, and matches company culture, while still maintaining regulatory compliance with local, state, and federal law.

Safety Plan

In order to protect the organization from costly non-compliance penalties, stabilize worker's compensation costs, enhance productivity, and reduce turnover, a sound safety plan is absolutely required.

Training

Estrella River Farms LLC, will provide training upon hire as well as annually to each employee including but not limited to:

- Health, safety, and sanitation standards as required by the Department;
- Security procedures;
- Prohibitions and enforcement as described by current laws
- Confidentiality and all other provisions that apply to the individual's scope of employment.

Record keeping

Estrella River Farms LLC, will retain all records, both physical and electronic for a minimum of Five (5) years. Electronic data will be encrypted and stored on a secure server in secure storage area off site by a Third Party. Physical records will also be stored in a secure storage room. The secure storage room will have limited access. The Dispensary may utilize biometric security measures as well as pin number protection. Access Logs will be analyzed daily to ensure no unauthorized entry has occurred. Access Logs, as well as all other records required by law will be stored for a minimum of Five (5) years including but not limited to:

Inventory Tracking

Inventory tracking including transport of Cannabis products.

Financial Records

Financial records including income, expenses, bank deposits and withdrawals, and audit reports.

Employee Records

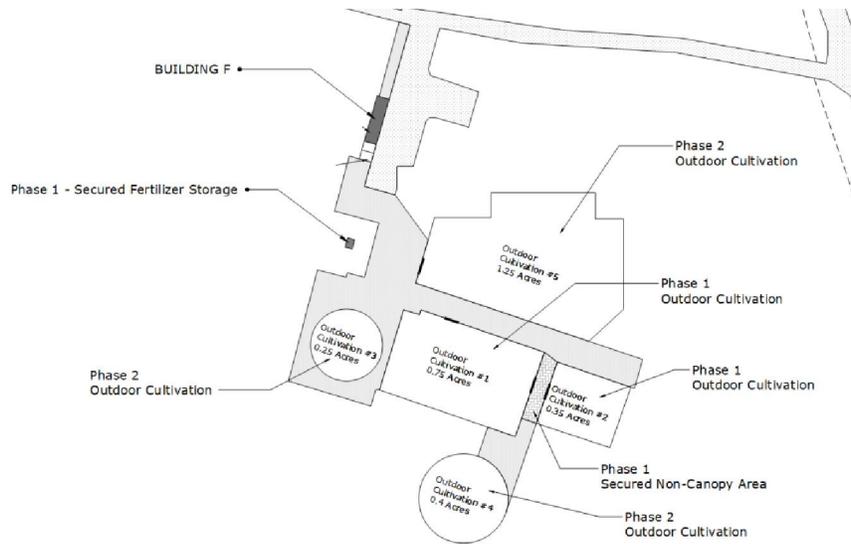
All Employee Records will be kept in secure and accessible only by Management.

Team Meetings

Team meetings will be implemented organization-wide and will provide opportunities for team members to receive updated training as required by law, to discuss current trends and ideas on how to make processes more effective or efficient. Team meetings will, at the very least, be held once a week for each facility as well as a weekly meeting between all facility managers.

Cultivation Area

The proposed operation would contain no more than 130,680 square feet of canopy. The cultivation activity will take place in the designated areas below:



FENCING AND GATES

Applicant will have 73” fencing AFF (Above Finished Floor) surrounding all cannabis outdoor activity. Cattle fencing exceeding 6’ in height is currently in place for Outdoor Cultivation Areas, #1-#4. Applicant will be moving additional Cattle Fencing to create Outdoor Cultivation Area #5. The applicant has included a fencing modification request in order to use deer fencing in combination with beforementioned cattle fencing. An additional 2 foot of lined barbed wire will run along the top of the 6 foot fencing. Visibility issues are not of concern for this location. Additional support for fencing modification is included in the specific request.

Secured Entry

All employees must be identified by security or management personnel at the secured entry point. All employees shall enter the facility through the main secure entrance. Once inside the secured entrance area, employees must change into clean working uniforms before entering the working areas.

Nutrient Storage Area

All nutrients shall be stored in the designated nutrient storage area of the facility. The facility manager is responsible for this area.

Flowering Areas

The flowering area of the facility is where full size plants produce flowers. The flowering area is divided into many zones.

Secured Areas

All areas within the facility are limited to licensed personnel. The facility manager is responsible for ensuring all areas within the facility remain secured and limited to authorized personnel.

Employee Break Room

The employee break room will be in an area without any cannabis production activities.

Quarantined Product Storage Area

Any cannabis products will be stored in a secured, quarantined area within the licensed facility.

Chemical Storage Area

All chemicals for cleaning, as well as pest and disease control, will be held in the chemical storage area. The facility manager will maintain this area and ensure information about chemicals is readily available by maintaining:

- An on-site chemical list;
- Material safety data sheets (MSDS) for all chemicals; and
- An emergency spill kit.

Emergency Protocol

Employees of the organization will be fully trained on emergency protocols once employed by the company. Emergencies protocols will be developed for robbery or theft, fire emergency, chemical spill and for other emergencies as needed.

Robbery or Theft

- If being robbed at gunpoint or you feel your life is in danger, comply with all requests from perpetrator. Give them whatever they ask for.
- Contact police as soon as possible
- Notify any required state or local authorities

Fire Emergency

- If fire is small and isolated, try to exhaust the fire with one of the fire extinguishers.
- In case of a fire emergency, dial 911 for Fire Department or

Chemical Spill

- Try to use chemical spill kit for smaller incidents of chemical spill.
- If chemical spill is large or you do not know how to handle the situation, get the facility manager to handle the situation.

Other Emergencies

- Contact 911 for break-ins or burglaries.
- Contact any required state or local authority in cases of theft, break-ins or burglaries.

Good Neighbor Policy

It is our policy to implement and execute a Good Neighbor Plan and respond to any reasonable complaint immediately to the complainant with a proposed solution within 10 working days or as requested. All neighbor communications must be maintained as part of the company record.

The intent is one of mutual respect between neighbors; to avoid adversarial positions, to treat others as one would like to be treated; to keep an open mind; and be willing to cooperate with neighbors with a goal of creating a safe and healthy neighborhood environment.

Estrella River Farms LLC has worked hard to build positive relationships with the residents and businesses and will continue to build relationships with the community.

Environmental Plan

Conservation and the reduction of our carbon footprint within the communities we operate in is a primary objective of the organization. This will be implemented throughout the entire organization and at every facility. We will look for new and innovative ways to reduce our carbon footprint. 'Reduce, Reuse, and Recycle' will be implemented on an organization-wide scale.

Environmental sustainability is of the highest priority in order to promote a sustainable community and ensure the impact of our business is positive and influential in achieving future environmental goals. In order to reach this goal, we have contracted designers, engineers and consultants who will design intelligently, utilize energy intelligently, and strive for procedures that lead to zero waste. Various factors will be considered thoroughly when planning equipment, procedures, and methodology including air quality, climate, ecological health, energy efficiency, water quality, transportation, and waste.

ODOR MANAGEMENT

1. FACILITY ODOR EMISSIONS INFORMATION

- a. Phases (timing, length, etc.) of odor-emitting activities

Estrella River Farms plans to implement its odor control practices as soon as the County of San Luis Obispo issues it a permit to operate and it is able to purchase and install odor control technology. Prior to operating, Estrella River Farms will make all other necessary improvements and installations to the facility.

2. ADMINISTRATIVE CONTROLS

- a. Staff Training Procedures

- i. When new staff members are hired, they are trained on the odor control system. Additionally, at least once per year all employees will go through a 60-minute refresher training on odor control.

- ii. The facility supervisor shall oversee the staff odor mitigation training.

b. Recordkeeping Systems and Forms

The types of records that will be retained include, but are not limited to, records of purchases of filters, performed maintenance tracking, documentation and notification of malfunctions, scheduled and performed training sessions, and monitoring of administrative and engineering controls.

3. Complaint Tracking System

Estrella River Farms will keep track of any and all complaints brought against it regarding odors emanating from the facility. Estrella River Farms will record the date of the complaint, who made the complaint (if they did not make it anonymously), and the specific details about the complaint. Estrella River Farms will keep this record on file in a logbook at their office for at least two years, or longer if required by law. Estrella River Farms will designate an employee to be responsible for following up regarding complaints and ensuring that any problems are addressed.

Specific Outdoor Cultivation Mitigation Practices

The previously mentioned strategic placement of outdoor cultivation in a centralized area created additional natural barrier along with the fencing that surrounds all outdoor cultivation areas. There is also planned negative ion misting systems that can be installed to further reduce and control odors which are emitted if required by county.

Seasonality of odor is an important consideration. Odor from outdoor cultivation is only expected from August through October. These high odor periods coincide with nearby peaks of wine production which is produced year-round immediately west of the proposed site, peaking during times when cannabis cultivation odor will also peak.

Water Management Plan

Applicant retained the Wallace Group as part of the requirement to submit a detailed water management plan for its proposed cannabis cultivation operation of 130,680sf of outdoor plant canopy and buildings with part time and seasonal employees. The project includes outdoor cultivation elements and employee restroom use, with overall water demands that can be found on within the detailed water management plan. The current expected water demand for this project is 2.17 acre-feet for outdoor cultivation.

This project will not be using Reverse Osmosis (RO) for irrigation water, therefore reducing the overall demand and eliminating the need for brine waste disposal.

The project sits within the Paso Robles groundwater basin and in an area of severe decline. Because groundwater will be used for irrigation of the cannabis crops, a 2:1 water offset will be required.

Water will be supplied from an existing groundwater well that was installed in 1975. Because the project will be using an existing groundwater well for water supply, the Applicant will not need to obtain a General Agreement or Lake or Streambed Alteration (LSA) permit through California Department of Fish and Wildlife (CDFW). Applicant understands that an annual license for cannabis cultivation issued by CDFA will require applicant to demonstrate by written verification from CDFW that an LSA Agreement is not required.

Smart Filtration

Water filtration is necessary in commercial agriculture to avoid contaminants often found in normal tap water. Such contaminants can destroy microbial life and defeat the purpose of following an organically grown cultivation regimen. All water will be tested and only filtered as needed. When water filtration is necessary, it will be done with the newest filtration technologies that produce minimal wastewater.

Wastewater

Our gardening requires minimal run-off from the watering of plants and little to no additional nutrient needs to be added to the water. All water that does run off from daily watering practices can be captured and filtered along with any water used for cleaning within the facility.

Reduced Waste Plans

All soil within the facility will be composted and reused, and recycling soil is not only better for the environment but will actually help the cultivation team to achieve maximum genetic potential and efficacy.

Inventory Management

Inventory Methodology

Estrella River Farms LLC will utilize the FIFO inventory model, or First-In-First-Out—FIFO. This implies that Estrella River Farms oldest inventory items are sold first. Facility management shall ensure that all employees are trained properly on the inventory method to ensure that the oldest products are being sold first.

Inventory/Tracking Requirements

Inventory management is a critical factor. Pursuant to the tracking of all cannabis from seed-to-sale will be done through an advanced electronic inventory control system with multiple checks and balances in place to allow our staff to have a complete awareness of all inventory through each stage.

Physical inventory counts will be done on a daily basis at the facility in addition to scheduled inventory checks, random audits will be performed. Inventory control procedures shall be utilized as the primary way of determining whether there has been any product diversion and ensuring that all cannabis products are only being distributed to licensed distributors.

Physical inventory template log sheets will be filled out each morning before the start of business and again at the closure of business. All daily inventory/tracking requirement procedures shall be conducted. Data collected during daily, weekly, annual and random inventory procedures shall be logged and input into computer, SIS, and POS systems. Inventory figures will be cross-referenced with the POS system inventories and data to determine that there are no quantity discrepancies and the chain of custody is maintained in a clear and unbroken manner. In the case of a discrepancy within inventory, we will investigate the root cause of the discrepancy to determine the cause. If the discrepancy is due to employee theft or diversion, we will act quickly to terminate the employment of the perpetrator and contact all necessary authorities for further action. All inventories, procedures, and other documents required by the department shall be maintained on the premises and made available to the department at all times. In the event of a breach or failure of the tracking system, the facility shall suspend operations depending on the tracking system until such time that the tracking system becomes operational. The facility will notify the department immediately upon such aforementioned event and again when the operations are resumed.

Inventory Control

Our organization shall designate an agent who has oversight of the inventory/tracking control system of the cannabis. The compliance manager will be responsible for oversight of the inventory control system.

The compliance manager is the designated agent who shall always oversee the facility inventory control system in order to ensure that daily inventory documentation, batch specific documentation, product transfers, inventory discrepancies, and record keeping are always maintained and up to the minute. The appropriate facility staff member shall document the following items as they occur:

Initial Inventory Documentation

Prior to commencing business, the facility compliance manager shall:

- Document that the facility has commenced business with no cannabis on hand and recorded this fact as the initial inventory.
- Establish ongoing inventory controls and procedures for the conduct of inventory reviews and comprehensive inventories of cannabis, which shall enable the facility to detect any diversion, theft or loss in a timely manner.

Weekly Inventory Documentation

Upon commencing business, each facility compliance manager shall ensure a weekly inventory of cannabis stock, which shall include, at a minimum:

- The date of the inventory;

- Summary of the inventory findings;
- The name, signature and title of the individuals who conducted the inventory and the agent-in-charge who oversaw the inventory; and
- The product name and quantity of cannabis plants or cannabis-infused products at the facility.

Daily Inventory Documentation

The compliance manager shall establish and implement an inventory control system that documents each of the following:

- Each day's beginning inventory;
- Harvests;
- Sales;
- Disbursements;
- Disposal of unusable cannabis; and
- Ending inventory.

Batch Specific Inventory Documentation

For each batch of cannabis cultivated, the cultivation manager shall document the following into the inventory control system:

- The batch number;
- Whether the batch originated from cannabis seeds or cannabis cuttings;
- The strain of the cannabis seeds or cannabis cuttings planted;
- The number of cannabis seeds or cannabis cuttings planted;
- The date on which the cannabis seeds or cuttings were planted;
- A list of all chemical additives used in the cultivation, including, without limitation: herbicides, and fertilizers;
- The number of cannabis plants grown to maturity;
- Harvest information, including, without limitation: the date of harvest, the final yield weight of usable cannabis, and the name and medical cannabis establishment agent registration card number of the medical cannabis establishment agent responsible for the harvest; and
- The disposal of cannabis that is not usable cannabis, including a description of and reason for the cannabis being disposed of, including, if applicable: the number of failed or other unusable cannabis plants, the date of disposal, confirmation that the cannabis was rendered unusable before disposal, the method of disposal, and the name and

medical cannabis establishment agent registration card number of the medical cannabis establishment agent responsible for the disposal.

Product Transfer Inventory Documentation

When providing cannabis to another cannabis establishment, the following information shall be recorded:

- The amount, strain, and batch number of medical cannabis provided to the cannabis establishment;
- The name and medical cannabis establishment registration certificate number of the other cannabis establishment;

Waste Inventory Documentation

All data pertaining to the disposal of all cannabis that is not usable shall be tracked in the inventory control system including:

- A description of and reason for the cannabis being disposed of, including, if applicable, the number of failed or other unusable cannabis plants;
- The date of disposal;
- Confirmation that the cannabis was rendered unusable before disposal;
- The method of disposal

Product Information

For each batch of cannabis produced in the facility, the following information shall be recorded for internal use and to be made available to the purchasing facility upon or prior to delivery:

- The batch numbers
- Whether the batch originated from cannabis seeds or cannabis cuttings
- The strain of the cannabis seeds or cannabis cuttings planted
- The number of cannabis seeds or cannabis cuttings planted
- The date on which the cannabis seeds or cuttings were planted
- A list of all chemical additives used in the cultivation, including, without limitation, nonorganic herbicides and fertilizers
- The number of cannabis plants grown to maturity
- Harvest information, including, without limitation:
 - The date of harvest
 - The final yield weight of usable cannabis

Inventory Record Keeping

- The compliance manager shall maintain the documentation required for at least six years after the date on the document and provide the documentation to the department for review upon request.

Tracking Requirements

All cannabis in the process of production, distribution, transfer or analysis shall only be accessible to the minimum number of specifically authorized personnel essential for efficient operation, and shall be returned to its secure location immediately after completion of the process or at the end of the scheduled business day. If a production process cannot be completed at the end of a working day, the area or tanks, vessels, bins or bulk containers containing cannabis shall be securely locked inside an adequately secured area. All cannabis products will be tracked electronically to maintain clear and unbroken chain of custody at all stages.

Chain of Custody

The chain of custody of all cannabis shall be documented, through scanning and logging, always as it moves through each process within the dispensary. Chain of custody documentation shall be maintained for six years and shall be made available to the departments upon request. All plants within a plant group shall be given a unique batch number during the initial transplant. Batch numbers shall remain with each plant and plant group through final packaging and sale. Transplanting shall occur prior to a plant reaching 18-24 inches in height. At the time of transplant from clone to the second vegetative phase, all plants shall be assigned a specific number and tagged with an individual tag containing the batch number and plant number. Information pertaining to each plant, and batch of plants, including the strain and location, shall be recorded electronically (RFID) or kept in an electronic file until harvest or destruction. All plants shall be physically inventoried on a weekly basis by the cultivation team and records of the inventory shall be kept at the facility in a secured location for a minimum of six years. All batch movements shall be tracked and recorded so their physical location is always known during the cultivation processes. Any plants removed from a batch shall be recorded on a permanent record and maintained on-site for a minimum of six years. All batch numbers shall be included on approved labels for all products designated for distribution. See plant inventory for detailed tracking processes.

No person, except authorized agents, subcontractors, local law enforcement, the department or the department's authorized representative, inspectors, or other federal, state or local government officials may enter the facility except for the following:

- Emergency personnel may enter the dispensary when necessary to perform their duties.
- Upon written notice to the department, the staff may allow contractors to enter the facility when they are working on a job unrelated to medical cannabis, such as installing or maintaining security devices or performing electrical wiring.
- Upon prior written request, the department or the department's authorized representative may permit other persons to enter the facility.

All persons who are not agents, but who are permitted on the premises, shall obtain a visitor identification badge from security personnel prior to entering the facility, and shall always be escorted and monitored by licensed agents. Visitor identification badges shall always be visibly displayed while the visitor is within the facility. All visitors must present a valid government issued identification card with a picture in order to be permitted within the premises. All visitors shall be logged in and out, and that log shall include the date, time and purpose of the visit and shall be maintained and made available to authorized agencies, at any time, for a minimum of six years. All visitor identification badges shall be returned to security personnel upon the visitor exiting the facility.

Visitor Log

The company compliance manager is responsible for ensuring any authorized personnel visiting will use a visitor log.

Cleaning Log

The shift manager is responsible for overseeing the use of a daily cleaning log to track cleaning within all zones properly.

Maintenance Log

A facility maintenance log will be utilized to track maintenance and upkeep on all equipment within the facility.

Pest Control Log

Plant growth zone managers will be responsible for tracking and logging all pest and disease control measures.

Feed Schedule Change Log

Plant growth zone managers will be responsible for tracking feeding schedules in all growth zones for which they are responsible. Any change or variance in the respective plant-zone feed schedule must be noted and brought to the attention of the manager.

Transplant Log

The transfer log tracks all plant movement throughout the facility. The vegetative manager is responsible for tracking plant movements before flowering begins.

Harvest Log

All flowering zone harvest schedules are tracked on the harvest log. The flowering zone management team is responsible for updating this log and noting any variances.

Daily Inspection Log

All zone managers are responsible for performing daily inspections and communicating all variances to the facility manager. All zones must comply with the information designated in the growing environment and quality control section.

Testing Log

A testing log shall be maintained by the cultivation manager to keep track of all batches, their respective test dates and results.

Finished Batch Log

The following information shall be collected in order to maintain records for company R&D, tracking purposes, as well as relaying all pertinent data.

- For each batch of cannabis cultivated, the following information shall be collected:
 - The batch numbers
 - Whether the batch originated from cannabis seeds or cannabis cuttings
 - The strain of the cannabis seeds or cannabis cuttings planted
 - The number of cannabis seeds or cannabis cuttings planted
 - The date on which the cannabis seeds or cuttings were planted
 - A list of all chemical additives used in the cultivation, including, without limitation nonorganic herbicides and fertilizers
 - The number of cannabis plants grown to maturity
 - Harvest information, including, without limitation:
 - The date of harvest;
 - The final yield weight of usable cannabis; and

Seed to Sale Tracking

All cannabis tracking shall begin when a seed or part of the parent plant is removed, and a propagating plant or clone is created. At this point, a unique plant RFID identification number shall be assigned, labeled, and recorded by the vegetative zone manager which then will be used to track the history and data through propagation, vegetation, flower, harvest, processing, cure and final packaged inventory.

Each plant shall always be tracked by its physical grid location in the premises. All significant dates and observations will be recorded as key data points in the SIS for referencing needs throughout the plant's life cycle. This information can be used to recall any contaminated medium, nutrient, or issue that may occur during the stages listed above and allows for easy removal from production or inventory of any product that does not meet the requirements of the state.

Pest Control & Disease Management

The Cultivation manager shall ensure that each cultivation team member is thoroughly trained in ethical pest and disease management and other troubleshooting to ensure that any problem within the facility is quickly remedied.

Harvesting

The flowering zone manager will work with the Cultivation manager to determine a timeline for each batch within the flowering zone. Once a batch has a confirmed harvest date, the cultivation manager shall initiate the harvest of that batch. The cultivation manager shall ensure that upon harvest each batch is tag scanned, weighed, transferred and data recorded. The following process will be used to harvest each plant within a batch:

Process for harvesting:

1. Scan tag for harvest.
2. Cut the plant at the base as close to the soil as possible.
3. Weigh the entire plant and record in the log.
4. Place plant on the stainless-steel table. Stainless steel table should be free from debris and wiped with alcohol.
5. Repeat the process until the table is full.
6. Record total batch weight on log sheet and Biotrack.
7. Immediately load fresh cannabis onto licensed transport.
8. Complete all chain of custody paperwork.

Emergency Procedures

This section will outline steps to be taken in case of an emergency. It will detail actions for owners or occupational licensees in case of a fire, or other emergency.

Fire Emergency

- If fire is small and isolated, try to exhaust the fire with one of the fire extinguishers.
- In case of a fire emergency, dial 911 for Fire Department.

Other Emergencies

- Contact 911 for break-ins or burglaries.

Record Keeping/Documentation

This section will detail how to maintain clear and comprehensive records of the name, signature, and owner or occupational license number of every individual who is engaged in any step related to the creation/production of a production batch of medical cannabis and the step that individual performed.

Documentation/Records Needed

Record and maintain accurate records of employees and owners or occupational license numbers.

- These records will be kept by the manager and stored in the office.
- Make sure you are following all laws, rules and regulations.
- Fill out daily production logs for our records.
- Fill out daily transfer to center logs for our records.
- Fill out daily wholesale logs for our records.

Laboratory Testing

Estrella River Farms LLC will ensure that all state and local regulations regarding laboratory testing and procedures are implemented and adhered to by all employees involved with laboratory testing. Management shall properly educate and train staff members on laboratory testing laws and procedures prior to an employee's involvement in the testing process.

The laboratory shall file with the Department an electronic copy of each laboratory test result for any batch that does not pass the microbiological, mycotoxin, or pesticide chemical residue test, while it transmits those results to the dispensary center. In addition, the laboratory shall maintain the laboratory test results for at least six years and make them available at the Department's request.

Product Information

Each batch of cannabis sold and/or transported, the following information shall be made available to the purchasing dispensary upon or prior to delivery:

- The batch numbers
- Whether the batch originated from cannabis seeds or cannabis cuttings
- The strain of the cannabis seeds or cannabis cuttings planted
- The number of cannabis seeds or cannabis cuttings planted
- The date on which the cannabis seeds or cuttings were planted
- The number of cannabis plants grown to maturity
- Harvest information, including, without limitation:
 - The date of harvest;
 - The final yield weight of usable cannabis; and

Transportation

Record of clear and unbroken chain of custody needs to be maintained at all stages. Prior to transporting any cannabis.

- Complete a shipping manifest using a form prescribed by the department that lists the components required by the department’s tracking system.
- Only the cannabis products that are listed on the manifest shall be transported.
- Cannabis products that are being transported shall:
 - Have a copy of the manifest in the interior and on the exterior of the container.
- If there are any discrepancies between what is received and the manifest, the discrepancy must be reported.

Cannabis Waste – Destruction and Disposal

Waste Processing Center

The facility shall contain a designated waste holding and processing room designed to keep waste secured and segregated from the rest of the facility. The entire waste processing center shall always be recorded on high definition video and remain locked.

Disposing of Waste

A minimum of seven days prior to rendering the secured green waste unusable and disposing of said waste, an agent from the facility team shall utilize the traceability system.

Immediately before the green waste is processed for disposal it shall be re-weighed by the quality control manager and at least one other staff member and all information will be recorded including, weight, time, date, employee names and signatures. After capturing all pertinent data, logging, and entering into the company SIS, all waste shall be rendered unusable and prepared for either compostable or non-compostable disposal. The facility compliance manager shall oversee the entire waste disposal process and ensure it is done.

Hazardous Waste

The compliance manager will ensure that all hazardous and chemical waste is disposed of in a manner consistent with federal, state, and local laws.

Security Plan

Introduction

Estrella River Farms (hereafter “Applicant”) proposes to establish a safe, secure, and compliant facility for the purposes of cannabis cultivation and related activities. To that end, Applicant has prepared and will implement a comprehensive security plan that addresses perimeter security, the facility’s security and alarm system, product security during cultivation, safety of employees, and the secure handling of all cash and other payments in order to prevent theft and diversion.

Applicant's facility and site are designed to be secure. Applicant will equip the premises with a modern surveillance system, interior area access control, and an inventory control system that will integrate with the state's track-and-trace program. Applicant will implement a comprehensive employee-training program, so that each employee understands their role in keeping the facility, themselves, and their products safe and secure. Applicant will also implement systems that facilitate access by local law enforcement to the site and facility. Product location data, surveillance video, and inventory reports will also be made available upon request.

Through this Security Plan, Applicant will create and implement procedures designed to ensure the following key criteria: (1) safety of all persons on the premises; (2) prevention of theft and diversion; and (3) emergency access for appropriate authorities.

Applicant, through planned construction improvements and security equipment installation, will ensure that the building, people, product, and funds inside are safe from unwanted or negligent harm, and that neither plants nor products are observable from outside the facility.

Cameras

Applicant will install surveillance cameras that comply with local and state requirements.

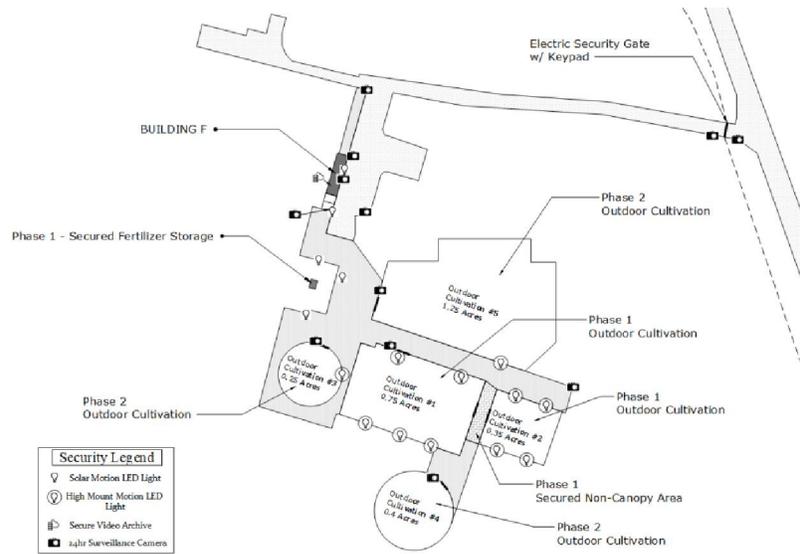
Cameras will be installed at all entrances to the facility, as well as all rooms where cannabis is grown. The cameras will meet the minimum resolution required by law, and will be serviced and calibrated to maximize the quality of the recorded image.

The cameras will record for 24 hours per day at a minimum of 15 frames per second (FPS), and be transmission control protocol (TCP) capable of being accessed via the internet. The recorded images will display the date and time, and the system will be equipped with a failure notification feature. The surveillance data will be stored in such a manner to prevent tampering or theft. Applicant will retain these recordings for at least 90 days in a manner that allows licensing authorities to get copies upon request.

These cameras will be monitored by security personnel either on- or off-site, who will be able to dispatch alarms and alert the authorities in the event of an intrusion.

Areas that will be recorded on the video surveillance system include, but are not limited to, the following:

1. Areas where cannabis goods are weighed, packed, stored, quarantined, loaded and unloaded for transportation, prepared, or moved within the premises;
2. Areas where cannabis is destroyed;
3. Limited-access areas;
4. Security rooms;
5. Areas storing a surveillance-system device with at least one camera recording the access points to the secured surveillance recording area; and
6. Entrances and exits to the premises, which shall be recorded from both indoor and outdoor vantage points.



SECURITY SITE PLAN

Facility Security – Exterior

The exterior of the buildings shall be equipped with an automatic electronic alarm, lighting, and video monitoring to detect unwanted and unauthorized intrusion. Applicant, through planned construction improvements and security equipment installation will ensure that the buildings, people, and product inside are safe from unwanted or negligent harm, and that plants and products are not observable from outside the facility. Motion-sensor lighting and alarms will also be installed within the building.

All exterior access doors (mains as well as emergency exits) shall be well-lit and equipped with door alarms. Security cameras shall be situated to ensure visibility of persons accessing or attempting to access the facility. To prevent access into the cultivation areas, there are limited points of access. All access doors shall remain locked at all times except for authorized access. Access for employees shall be granted through commercial-grade, nonresidential door locks, in accordance with 16 Cal. Code of Regs. § 5046. Any electronic doors will have traditional key lock entrances in the event of a power outage. Keys will be stored in a combination-locked cabinet in the Main Office.

As described in greater detail above, twenty-four (24) hour surveillance cameras shall monitor all entrances and exits to structures where cannabis is being cultivated. A fencing system will surround the perimeter of the facility, including the cultivation area and the parking area. To prevent unauthorized access, only authorized persons will have access through the perimeter fencing via the locked entrance. All others will be admitted manually by security personnel or by the Security Manager, who will be an employee.

The facility will have all necessary environmental controls, odor controls, and circulation systems and will have all requisite fire and safety features in order to protect the cannabis cultivated, employees, and properly badged and escorted visitors.

The facility will not feature any exterior signage on the building, except the address, as it will not be used for commercial retail purposes and has no need, and limited expectation, for visitors. Further, the absence of signage is in keeping with the requirements of the law and minimizes the presence of an attractive nuisance. Lack of signage will limit attention and, thus, the threat of crime. In addition, Applicant will prevent views into the cultivation and production areas by using light a translucent greenhouse, which allows light to pass through but obscures everything inside.

The main entrance area to the property, as well as to the areas where cultivation is taking place, will be unmarked except for a warning sign on the door advising all entrants that no firearms or dangerous weapons are allowed anywhere on the premises. The facility will be equipped with panic buttons to alert authorities in the event of an emergency. Applicant shall implement strict security measures to ensure that all doors are locked and secure when not in use. No weapons or firearms will be allowed on the property.

Facility Security – Interior

Applicant shall establish restricted, employee-only areas for cultivation. Only authorized employees will be allowed to enter restricted employee-only areas, including the cultivation area.

Restricted access areas will utilize limited points of access and ensure all points of access remain locked at all times. Applicant plans to use biometric entry locks on facility doors, which will only permit an employee or visitor to enter into areas for which they have authorization.

The facility shall not be used for commercial retail purposes and will not be open to the general public. Visitors to the facility shall be admitted on limited circumstances and only upon prior scheduling and management approval. Entrance and exit protocols shall restrict access to only those individuals with sufficient reason to be on the premises and require that any visitors be accompanied by authorized personnel at all times.

DO NOT ENTER
LIMITED ACCESS AREA
ACCESS LIMITED TO AUTHORIZED PERSONNEL ONLY

Access thereto shall be limited to the following:

1. Employees having appropriate authority.
2. Department of Food and Agriculture / CalCannabis Licensing staff.
3. Law enforcement officers.
4. San Luis Obispo County County Code Enforcement.
5. Badged and escorted visitors.
6. Emergency personnel performing their duties.
7. Approved contractors.

As described above, access areas shall be monitored by security cameras that record 24 hours per day, 7 days per week, so as to prevent theft or diversion. The various access areas within the interior of the

nursery facility shall be securely separated from one another and only accessible by those employees whose job necessitates their entry into specific designated areas and who display proper identification. Interior areas not associated with cultivation practices shall be well lit, clean, free of debris, and properly maintained. The building safety and security systems shall be approved by all appropriate public safety departments.

Perimeter Security

The project site will be enclosed in a solid fence that will remain locked, and can only be opened for employees and approved visitors. The perimeter will be monitored by cameras and alarms that comply with all requirements. Additionally, the property is accessible through a gate which requires a code that is entered into a keypad. This code would only be given to employees and approved visitors. The buildings housing the nursery operation are set back significantly from the property line as well as from any residences on other parcels. There are no schools, parks, daycare centers, or youth facilities within 1000 feet of the property.

There will be no evidence of cannabis cultivation visible from other parcels. All fencing will be consistent with the surrounding area in visual quality and in conformance with county regulations. Barbed wire and similar fencing will not be used for security purposes.

Hours of Operation

Harvesting/cultivation activities may take place seven days a week, 24-hours per-day as needed, though this will not occur all year.

Alarm System

During times when the facility is closed, it shall be securely locked and the exterior entrance alarm system shall be activated. All entrances and exits to the cultivation buildings will be equipped with an alarm. The exterior entrance alarm system will operate separately from any other alarm system at the facility and the system will be able to immediately detect and notify the authorities of unauthorized entrance at times when the facility is closed.

Access codes to the alarm system will remain confidential and secured so as to prevent access to the facility by anyone other than authorized employees. Only the CEO, Facility Manager, Security Manager, or an authorized Supervisor shall have the ability to unlock exterior doors for the purposes of commencing businesses and to deactivate the alarm.

Security Manager

Applicant will select a qualified employee to serve as the Security Manager. The Security Manager shall make himself or herself known to law enforcement and emergency providers serving the facility, and shall foster a good relationship with these individuals and work in conjunction with them to ensure that safety and security concerns are constantly addressed and continually monitored. The Security Manager shall make themselves available at all times in the event of an emergency. If a professional security company is hired to provide in-person or on-call security service, the Security Manager shall work closely with the security company. The Security Manager shall also be responsible for reviewing this Security Plan and suggesting additions or modifications if necessary.

Hiring & Distributor Selection

Facility security is enhanced by the selection of qualified personnel to assist with the operation of the business. To promote security, all prospective employees shall be stringently vetted during the application process. Each employment candidate shall undergo a thorough interview prior to an offer of employment. Only the most qualified candidates will be selected for employment.

Employees shall display their access badge at all times during employment. An employee needing to update or report a lost access badge must report this to the Security Manager. Additionally, before entering into any distribution agreements with licensed distributors or selling any nursery stock to a cultivator, Applicant will conduct a vetting process to ensure that business is only conducted with trustworthy licensees.

Employee Expectations & Security Training

In addition to obtaining an access badge, each successful employee applicant shall undergo safety, security, and cultivation training before beginning work. As a part of the employee orientation process, and as an ongoing regimen, all employees will be provided with a copy of the Employee Handbook (forthcoming), the Security Plan, as well as security and safety training. Security and safety training shall consist of examination and discussion of the Security Plan, premises orientation, emergency training, and situational training. Situational training shall consist of instruction related to particular employees' job duties. Refresher training will be provided to each employee on a consistent basis and intermittently as necessary.

Initial employee safety and security training shall include:

1. Building orientation and access authority, which shall include:
 - a. The proper use of employee's access badge for entry into the premises
 - b. The proper use of employee's access badge for entry into employee's authorized access areas
 - c. Employee's authorized entry and exit points
 - d. Restroom and sink facilities, and sanitation practices
2. Measures and controls for the prevention of diversion, theft, or loss of cannabis, which shall include:
 - a. Necessity of keeping all facility doors locked and secure at all times
 - b. Prohibited activities such as entrance into unauthorized access areas
 - c. Awareness of video monitoring
 - d. Training regarding the tracking of all product-related activities and information
 - e. Requirement to report any unusual activity, security concern, or loitering
3. Procedures and instructions for identifying and responding to an emergency that will include:
 - a. Accident prevention training
 - b. How to respond to an emergency

- c. Emergency service provider location
- d. Emergency service contact information
- e. Emergency first aid kit locations
- f. Emergency exits and panic button locations

More information about Applicant's procedures to training employees can be found in the employee safety and health training plan, provided separately.

Employee Log and Terminations

For the safety and security of the premises surrounding the facility, the facility, its occupants, plants and products, the Security Manager will keep a current roster of all employees and ensure that all employees are aware of terminations or duty reassignments as they occur. All terminated employees or those not having valid access cards shall be prohibited from being in, on, or about the premises.

Upon termination of any employee, whether voluntary or involuntary, Applicant shall ensure that the terminated employee's keys, uniform, tools, and access codes and cards (as applicable) are returned and ensure that such codes and access points are altered so as to prevent the terminated employees' access.

Employee and Visitor Badges

The only persons who may be on the premises are:

1. Employees
2. Persons with appropriate authority and a visitor identification badge.
3. Persons inspecting the Applicant's facility with proper government authority.

Employees must wear their employee badges at all times when engaging in commercial cannabis activity. Employee badges will be laminated or plastic-coated and will contain at least the following information: the licensee's "doing business as" name and license number; the employee's first name; an employee number exclusively assigned to that employee for identification purposes; and a color photograph of the employee that clearly shows the full front of the employee's face and that is at least 1 inch in width and 1.5 inches in height.

Only authorized employees may dispense visitor badges, and only upon verification of such person's valid state picture identification card (i.e., a driver's license), completion of a visitor information form, and such person's signature thereon and the visitor log.

The visitor log shall indicate the date, time, and duration of the visit as well as the escort responsible for the visitor.

A person who obtains a visitor identification badge, including, without limitation, an outside contractor if appropriate:

1. Must be escorted and monitored by an agent at all times he or she is on the premises.
2. Must visibly display his or her visitor identification badge at all times he or she is on the premises.

3. Must return the visitor identification badge to Applicant upon leaving the premises of the medical cannabis establishment and sign out.

Occupational Safety

Applicant will comply with all applicable federal, state, and local laws and regulations governing California agricultural employers, including but not limited to: federal and state wage and hour laws, CAL/OSHA, OSHA, and the California Agricultural Labor Relations Act.

Additionally, Applicant will conduct annual employee safety trainings, provide a safety handbook to all new employees, and abide by all applicable local, state, and federal laws governing workplace safety.

Product Security

All cannabis will be stored in secure, locked rooms that are accessible only to employees. These rooms will be monitored by Applicant's security cameras.

Applicant will use inventory control methods to maintain a current inventory of all products grown, harvested, moved, sold and/or destroyed. The Inventory Control System (ICS) will manage and track cannabis at every state into, through, and out of the facility. The ICS system will include young plants, mature plants, stock plants, any raw materials harvested, all cannabis waste, and all products in various states. The ICS will also track seeds, if Applicant chooses to sell seeds as part of the nursery license sought. The ICS system will be compatible with the state's track-and-trace system, METRC.

At regular intervals, Applicant will manage, check, and monitor inventory, such that Applicant can accurately and consistently document the status of all plants and products in the cultivation process. Applicant will use its ICS to document:

1. Each day's beginning inventory, acquisitions, harvests, sales, disbursements, designation and disposal of unusable cannabis, and ending inventory.
2. Any samples provided, including the provision, return or destruction of the same, as set forth by law and regulation.
3. Each batch of cannabis cultivated, including:
 - a. The batch number
 - b. The number of cannabis seeds or cannabis cuttings planted
 - c. The date the cannabis seeds or cuttings were planted
 - d. The list of all chemical additives, including, without limitation, herbicides, and fertilizers used in the cultivation
 - e. The number of plants grown to maturity
4. The quantity and UID of clones sold, and to which licensees.

5. Any other information required to be recorded by law.

A complete physical inventory of both usable and unusable cannabis will be performed on a weekly basis and logged by the Applicant's ICS.

Applicant's staff will document the following:

1. Date of the inventory.
2. Summary of the inventory findings.
3. The name, signature, and title of the employees who conducted the inventory and the manager who oversaw the inventory.
4. Applicant staff will count and precisely weigh all products, including:
 - a. Packaged Cannabis
 - b. Cannabis in various stages of production, including leaves and by-product
 - c. Cannabis products in quarantine
 - d. Waste Cannabis awaiting disposal
 - e. Cannabis that is reserved for another Licensee
 - f. Cannabis plants in various stages of growth, including seedlings and seeds

Records of all cannabis sold will show:

1. The date of sale.
2. The name of licensee to which cannabis was sold.
3. Batch number, product name(s), and quantity of cannabis products sold.
4. All other mandated track-and-trace information.

Records of all cannabis destroyed will show:

1. The date the cannabis was destroyed.
2. Manner in which it was destroyed.
3. Reason it was destroyed.
4. Employee responsible for the destruction of the cannabis.
5. All other mandated track-and-trace information.

Inventory and Audits

Records of commercial cannabis activity will be stored in accordance with State law and regulations, including 3 Cal. Code of Regs. §8400 *et seq.* If more stringent record keeping requirements are adopted by the County of San Luis Obispo, Applicant will comply with the County's more stringent requirements.

A complete and accurate recording of all cannabis plant stock and products on hand will be prepared annually on or before the anniversary of the initial inventory. The Security Manager shall conduct and

document a system-wide audit of the inventory of the establishment that is accounted for according to generally accepted accounting principles at least once every year.

Inventory Discrepancy Procedures

If an audit or random inventory check identifies a reduction in the amount of cannabis in the inventory of the establishment not due to documented causes, or in the event actual inventory counts do not match the recorded or expected counts, Applicant shall determine where the loss has occurred and take and document corrective action. If the reduction in the amount of cannabis in the inventory of the establishment is due to suspected criminal activity, the Applicant will report the activity to the Department of Food and Agriculture and to the appropriate law enforcement authorities.

When a significant discrepancy in inventory occurs, the Security Manager will conduct an internal audit and investigation. The Security Manager will document the incident in a report that includes the following information:

1. Incident date.
2. Name of people involved.
3. A description of the incident.
4. Identification of known or suspected causes of the event.
5. Any corrective actions taken.

Pursuant to State law and regulations, all such incidents, including the discovery of any theft, diversion, loss, or related criminal activity, will be reported to regulatory and law enforcement authorities within three (3) business days.

Cannabis Waste Tracking and Notification

Applicant will manage all cannabis waste in compliance with division 30, part 3, chapters 12.8, 12.9, and 13.1 of the Public Resources Code. All cannabis waste will be secured, locked, tracked and recorded in accordance with state and local law and regulations. A secure cannabis waste room will be created in the building.

In particular, Applicant will abide by a Cannabis Waste Management Plan that complies with the requirements of the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) to ensure that cannabis waste originating on Applicant's property is managed and disposed of properly. An initial version of this plan is contained in the Waste Management Plan included with this application.

Shipping and Transportation Security Measures

Applicant shall only conduct commercial cannabis activity with other duly licensed entities or as otherwise allowed by state and local law. Applicant will use an inventory control system (ICS) that integrates with METRC to create transport manifests and store transferee information internally. Manifests will be archived by the ICS and made quickly available upon request for a period of five (5) years, or longer if required by the regulatory authorities. Applicant will also complete and maintain shipping manifests as prescribed by law. Prior to releasing any cannabis or cannabis product to a distributor, Applicant will comply with all track-and-trace requirements.

The transportation of cannabis and cannabis products shall only be conducted by a duly licensed distributor and the driver of a vehicle transporting cannabis products shall be directly employed by the applicable licensee. During transportation, the distributor shall maintain a physical copy of the shipping manifest, which contains the details about the order, and make it available upon request to agents of the Bureau and law enforcement officers. Applicant is not seeking a distribution permit from the County of San Luis Obispo at this time, and therefore will not be transporting any harvested cannabis from the cultivation facility to another licensee unless a distribution license is obtained.

Emergency Management

All security measures are designed to ensure access by emergency personnel, including but not limited to the fire department and police department, as needed and in compliance with applicable regulations, such as fire safe standards. The Applicant will work with the San Luis Obispo County Fire Department to develop a Fire Prevention Plan, and will obtain all required permits from the Fire Department.

Local Emergency Contacts

| | |
|---|--------------|
| San Luis Obispo County Fire Department | 805-543-4244 |
| San Luis Obispo County Sheriff | 805-434-4290 |
| Department of Planning and Building | 805-781-5600 |
| Poison Control Center | 800-222-1222 |
| California Department of Food & Agriculture | 833-225-4769 |

Further Measures

Applicant will implement other commercially reasonable security measures upon consultation and recommendation from a professional security management company in good standing with the aim of ensuring: (1) the safety of all persons on the premises as well as the immediately surrounding areas; (2) prevention of theft and diversion; and (3) emergency access for appropriate authorities. Applicant will use best efforts to implement all commercially reasonable recommendations from the County and other government authorities.

ENERGY DEMAND

The chart below details all the sources of power and annual expected use from PG&E:

| Source | KW Usage | hours/day | Monthly kWh | Annual kWh |
|-------------------------------|----------|-----------|-------------|---------------|
| 15 HP Water Pump 100 GPM | 14.26 | 2 | 856 | 10,272 |
| HVAC Office | 5 | 8 | 1,200 | 14,400 |
| LED Lights Security 6 Units | 1.44 | 12 | 20 | 240 |
| Security DVR & Camera System | 1.44 | 12 | 20 | 240 |
| Office and Staff | | | 307 | 3,684 |
| Total Annual kWh Usage | | | | 28,836 |